

- (10) A 7. Using the information from Question #5, what is the Payoff prior to making your 32nd payment.
- A. \$30,800
 - B. \$22,900
 - C. \$16,740
 - D. \$ 6,140
- (10) D 8. Using the information from Question #5, what portion of the 18th payment is principal?
- A. \$715
 - B. \$618
 - C. \$499
 - D. \$120
- (10) A 9. Diamond Crystal in Weatherford, Oklahoma is looking at a new bag filtration system to remove airborne pepper particles inside the production facility. The information below is for a filtration system from the U.S. Clean Air of America Corporation. MARR is 8%. Based on the information below what is the Present Worth of the proposed bag filtration system?
- First Cost = \$50,000
M&O Costs = \$ 2,000
Annual Benefit = \$11,000
Salvage Value = \$12,000
Useful Life = 8 years
- A. -\$4,300
 - B. \$ 0
 - C. \$4,300
 - D. \$8,200
- (10) C 10. Based on the Present Worth calculation in Problem #9 what decision should Diamond Crystal make from an economic feasibility standpoint?
- A. No decision can be made, not enough information
 - B. Accept the project based on Present Worth Analysis
 - C. Reject the project based on Present Worth Analysis
 - D. The company is indifferent